

Insurance Made Simple

Medicare

BIA

Boone Insurance Associates 101 Education Guide: New

BIA
Boone Insurance
Associates

About Boone Insurance Associates



- Boone Insurance Associates provides health and life insurance products to clients all over Oregon.
- We work directly with the companies to resolve any of your claim, benefit, & premium questions.
- Unlike a captive insurance producer who represents that insurance company alone, we are independent of a specific insurance company and represent a variety of different companies and products.
- Boone Insurance Associates provides this educational program today to help inform you. There is no obligation for you to purchase services from us.

“Our pledge is to provide our clients with superior customer service and product knowledge in order to guide them in making the most informed decisions.”

Signing Up For Medicare?



- **New to Medicare**

- Just go to www.socialsecurity.gov

- Review: [Guide on Signing Up for Medicare \(Click Here\)](#)

- **SEP (Special Election Period)**

- Contact Local Social Security Office for more information or go to www.socialsecurity.gov

- Get Forms: [CMS 40B](#) and [CMS L564](#) if you have Part A and have been deferring Part B

- e.g., Loss of employer coverage

Who gets Medicare?



- **It is available to qualified individuals, including:**
 - People age 65 or older.
 - People under age 65 who have been declared disabled for 24 months.
 - People with End-Stage Renal Disease (ESRD), also known as kidney failure.

Basic Terminology



- **Deductible:** How much you must spend for covered health services before your insurance company pays anything (except free preventive services)
- **Copay or Coinsurance:** Payments you make each time you get a medical service after reaching your deductible
- **OOP – Out of Pocket Maximum:** The most you have to spend for covered services in a year. After you reach this amount, the insurance company pays 100% for covered services.

Parts of Medicare



Medicare Part A: Hospital Care
(Government Program)

Medicare Part B: Outpatient Medical Care (Government Program)

Medicare Part C: Medicare Advantage
(Offered by Insurance Carriers)

Medicare Part D: Medicare Prescription Drug coverage
(Offered by Insurance Carriers)

Medicare Part A: Cost



What do I pay for Medicare Part A?

- All taxpayers are contributing towards Medicare via payroll deductions.
- It has no premium cost for individuals who have worked at least 40 calendar quarters
- Includes a monthly premium for those who have worked fewer than 40 calendar quarters.

Medicare Part A: Coverage



What does Part A cover?

- Hospital stays
- Home health services
- Hospice care
- Minimal care in a skilled nursing facility (SNF)
 - After a 3-day hospital stay, it covers the first 20 days in full. After the 20 days are up, it covers days 21 through 100 at a daily rate. No coverage following 100 days
 - Does not include intermediate or custodial coverage.

Medicare Part A: Costs



○ Part A Deductibles

○ [2025] Hospital stay per benefit period:

○ Days 1-60 [\$1,676] per benefit period

○ Days 61-90 [\$419] per day

○ Days 91-150 [\$838] per day

○ [2025] Skilled Nursing Facility:

○ Days 1-20 [\$0] per benefit period

○ Days 21-100 [\$209.50] per day

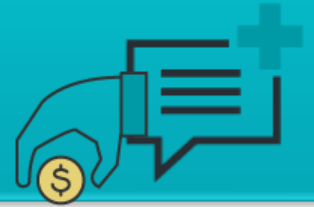
○ Days 101 and beyond: [all costs]

Medicare Part A: Benefit Period



- Begins the day you go into a hospital or skilled nursing facility, ends when you have not received hospital or skilled nursing care for 60 days in a row
- If you go into the hospital after one benefit period has ended, a new benefit period begins
- There is no limit to the number of benefit periods you can have.

Medicare Part B: Cost



What Do I Pay for Medicare Part B?

Part B premium is based on annual income level.

[2025] Part B Premium

Monthly Premium	Annual Income Individual	Annual Income Couple
\$185.00	\$106,000 or less	\$212,000 or less
\$259.00	\$106,001 to \$133,000	\$212,001 to \$266,000
\$370.00	\$133,001 to \$167,000	\$266,001 to \$334,000
\$480.90	\$167,001 to \$200,000	\$334,001 to \$400,000
\$591.90	\$200,001 to \$500,000	\$400,001 to \$750,000
\$628.90	More than \$500,000	More than \$750,000

Note: The standard Part B premium for 2025 is \$185.00 per month. Higher income beneficiaries pay an additional IRMAA (Income-Related Monthly Adjustment Amount), resulting in higher total monthly premiums.

Medicare Part B: Coverage



What does Medicare Part B cover?

- Physician Services
- Laboratory, X-rays, MRI, CT Scans
- Chemotherapy
- Ambulance, Emergency Room Care
- Outpatient Surgery
- Preventive Care
- Part B Medications

Medicare Part B: Costs



Deductibles & Coinsurance

○ Deductible:

- 2025 [\$257] per year

○ Other Services:

- After your deductible is met, you typically pay [20%] of the Medicare-approved amount for most doctor services, outpatient therapy, and durable medical equipment (DME). Medicare pays [80%]

Original Medicare Does Not Cover



- Out-of-pocket maximum spending safety net
- Certain deductibles and coinsurances
- Routine physical (beyond one-time initial physical and annual wellness visit)
- Dental (except if medically necessary)
- Vision (except if medically necessary)
- Access to complementary (alternative) care benefits
- Gym Memberships or professional health coaches

Covering Medical & Prescription Gaps

- **Three main options available**

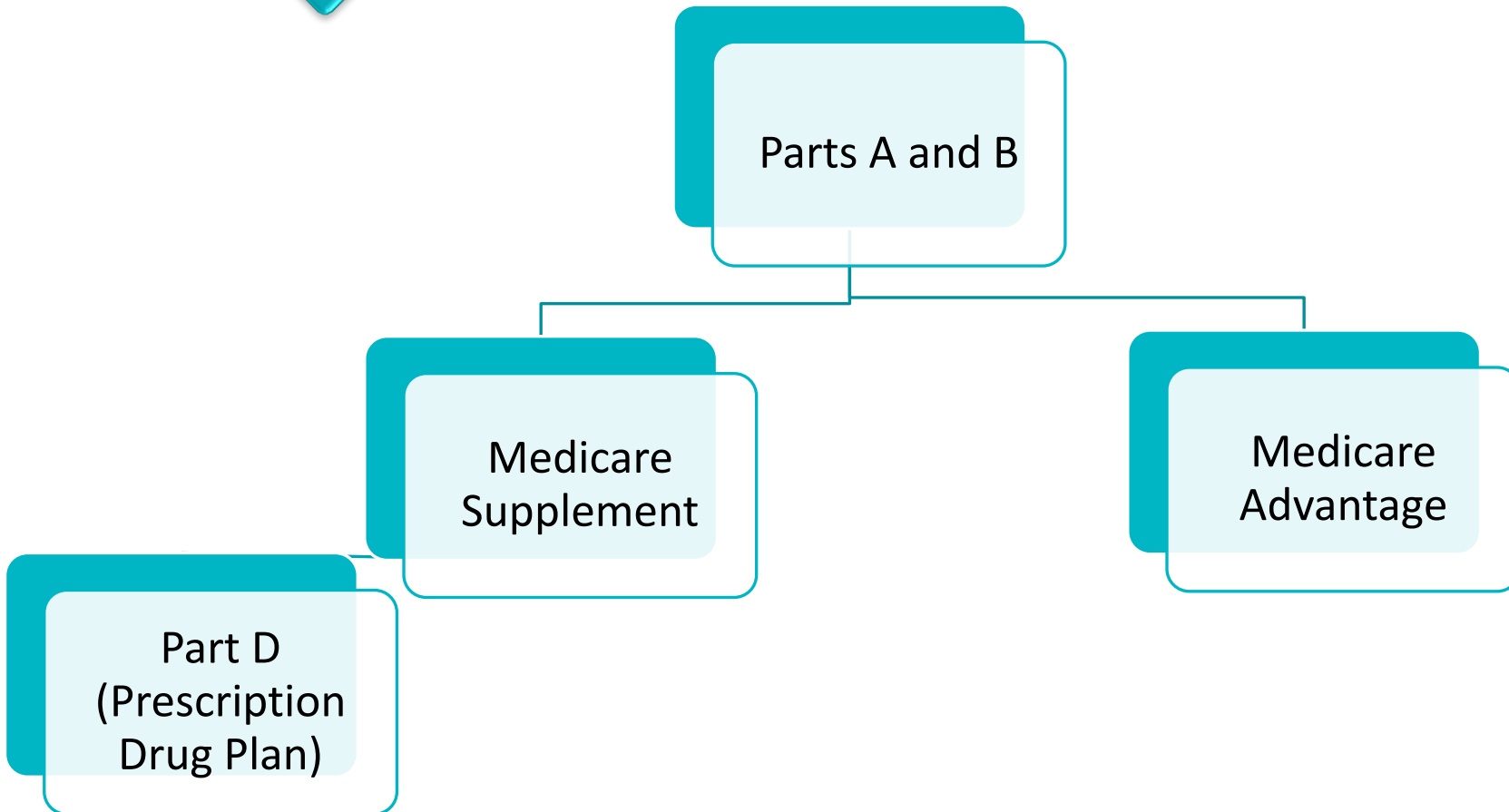
- Traditional Medicare Supplement Plans (Medigap) and/or Medicare Part D Prescription Drug Plans (PDP)

- Medicare Part C (Medicare Advantage Plans)

- Employer-Sponsored Retiree Plans

- e.g. PERS

Covering Medical & Prescription Gaps



Medicare Supplements(Medigap): Features



- **Private companies sell Medicare Supplement plans (also known as MediGap plans).**
 - After initial enrollment, may require health statement underwriting. **(exception is birthday rule)**
- **Nationally standardized plan designs (Plans A-N).**
 - Prescription drugs are not included in plans sold after 1/1/2006.
- **Medicare pays for Medicare-eligible benefits; then MediGap pays plan's portion.**
 - MediGap also pays some benefits not covered by Medicare. Benefits vary between plans A-N.

Medicare Supplements (Medigap): Features



- You may see any Medicare provider in the U.S. You are not required to have a Primary Care Physician and you can see any specialist
- All of your care is subject to what Medicare allows and must be medically necessary. The doctor codes it and the claim is submitted to Medicare. If Medicare pays on the claim, then MediGap (your secondary insurance) will also pay on it
- If the claim is denied – the secondary insurance cannot pay it

Medicare Advantage (Part C): Eligibility



Who is eligible?

- Must be enrolled in Medicare Part A & B
- Permanent resident in plan service area
- Cannot have End Stage Renal Disease (ESRD)*
 - *Some exceptions apply

Medicare Advantage (Part C): Options

- **Choose from options with or without integrated Part D prescription drug coverage.**
 - No drugs included: Medicare Advantage (MA) only
 - Prescription drugs included: Medicare Advantage with drugs (MA-PD)

Medicare Advantage (Part C): Networks



- **Preferred Provider Organization (PPO)**
 - Has a network of providers, but also allows use of medical providers outside of the plan's network (typically with greater employee cost-sharing). Referrals may not be required. Is more flexible than an HMO, but also more expensive generally.
- **Health Maintenance Organization (HMO)**
 - Covers services performed solely by providers in a network. This tends to be a low-cost system but is more restrictive than other plans.
- **Private Fee For Service (PFFS)**
 - No plan network; Plan works like Original Medicare except the insurance company pays; Providers must be willing to accept the PFFS plan's terms.

Medicare Part C (MAPD): Features



- In general, most plans offer additional benefits and lower out-of-pocket costs compared to Original Medicare.
- At a minimum, these plans provide the same coverage as Medicare.
- Typically, plans include copayments and coinsurance, which are paid when accessing healthcare services.
- Additionally, many plans offer extra benefits such as routine vision exams, preventive dental care, alternative therapies, gym memberships, and more.

Medicare Part C (MAPD): Features



- Medicare provides a fixed monthly payment to the plan to manage your care.
- Medicare Advantage (MA) plans are required to offer all the benefits included in Original Medicare and may also include Part D prescription drug coverage.
- You may be required to use a network of providers that are affiliated with the plan.

Medicare Part D (Rx Coverage): Features



- The basic plan design has 3 elements
 - Deductible, Initial Coverage and Catastrophic coverage.
- Providing your prescription drug list to your agent can help them determine what the cost will be for your drugs.
- Plans can change every year.

Medicare Part D (Rx Coverage)



- In [2025]:
 - **Deductible for Rx:** \$590
 - **Initial coverage:** You pay 25% of the cost for covered prescription drugs until your total out-of-pocket spending reaches \$2,000
 - **Coverage Gap (Donut Hole):** The coverage gap is eliminated in 2025. You continue paying 25% of the cost for covered drugs until reaching the out-of-pocket maximum.
 - **Catastrophic Coverage:** Once your out-of-pocket spending reaches \$2,000, you pay \$0 for covered prescription drugs for the remainder of the year.

Medicare Part D (Rx Coverage): Options



- Private companies must be approved by the Centers for Medicare & Medicaid Services (CMS) to offer Part D prescription drug coverage. There are two ways to obtain prescription drug coverage:
 - **Medicare Advantage Prescription Drug Plans (MAPD):** Individuals enrolled in a Medicare Advantage plan (such as PPO or HMO) can access Part D prescription drug coverage integrated with their health plan.
 - **Stand-Alone Prescription Drug Plans (PDP):** Individuals with other insurance, such as Original Medicare or Medicare Supplement plans, can enroll in a stand-alone Part D prescription drug plan to complement their health coverage.

Medicare Part D (Rx Coverage):Options



- Medicare Part D Prescription Drug Plans (PDP) may be paired with health plans such as:
 - Medicare Supplement (Medigap)
 - Original Medicare
 - Private Fee for Service (not most MAPD plans)
 - Some (not all) other private health programs that do not include Part D creditable coverage

Medicare Part D (Rx Coverage): Penalty



- You may owe a late enrollment penalty if, for any continuous period of 63 days or more after your Initial Enrollment Period is over, you go without one of these:
 - A Medicare Prescription Drug Plan (Part D)
 - A Medicare Advantage Plan (Part C) (like an HMO or PPO)
 - Another Medicare health plan that offers Medicare prescription drug coverage
 - Creditable prescription drug coverage
- The late enrollment penalty is calculated by multiplying 1% of the “national base beneficiary premium” (\$35.62 in 2025) times the number of full, uncovered months you were eligible but didn’t join a Medicare Prescription Drug Plan and went without other creditable prescription drug coverage. The final amount is rounded to the nearest \$.10 and added to your monthly premium.
- Group Retirement RX and Veterans Benefits RX are excluded from penalty

Employer Sponsored Retiree Plans



- **Employers may continue to offer coverage to retirees**
 - If you currently receive health coverage through an employer or union, enrolling in a Medicare Advantage plan or a stand-alone prescription drug plan could impact your existing health benefits and alter how your current coverage functions.
 - Be sure to review any communications provided by your employer or union. If you have questions, consult their website or contact the office mentioned in their correspondence. Collaborate with your plan administrator for further assistance.
 - Note that the plan may or may not include Part D creditable drug coverage.

Extra Help: LIS (Low Income Subsidy)



- **People with Medicare may be able to get extra help to pay for prescription drug premiums and costs.**
 - In 2025, you may qualify if your combined savings, investments, and real estate are not worth more than \$34,960 if you are married and living with your spouse, or \$17,630 if you are not currently married or not living with your spouse. (Do NOT count your home, vehicles, personal possessions, life insurance, burial plots, irrevocable burial contracts, or back payments from Social Security or SSI.) If you have more than those amounts, you may not qualify for the extra help.
 - The LIS program helps reduce or eliminate your Medicare Part D premiums, deductibles, and copayments for covered prescription drugs. Additionally, those who qualify for LIS will not face a coverage gap and will have no late enrollment penalty for Medicare Part D.
 - For more information or to check your eligibility, contact **Social Security** at 1-800-772-1213 or visit **www.ssa.gov/extrahelp**. You can also reach out to your local State Health Insurance Assistance Program (SHIP) for personalized assistance.

Extra Help: Medicaid



- **What is Medicaid?**

- Medicaid is a joint federal and state program that provides assistance with medical costs for individuals with limited income and resources. Medicaid also covers services not typically included under Medicare, such as nursing home care and personal care services.

- **Dual eligibility**

- Individuals who qualify for both Medicare and Medicaid are referred to as "dual eligible." If you have Medicare and full Medicaid coverage, most of your healthcare costs are likely covered.
- You can receive your Medicare benefits through either **Original Medicare** or a **Medicare Advantage Plan (Part C)**. If you are dual eligible, your Medicare Part D prescription drug coverage is provided through Medicare, and you automatically qualify for **Extra Help** to assist with the costs of your Part D prescription drug plan.
- In addition, Medicaid may cover certain medications and healthcare services that are not covered by Medicare, offering comprehensive support for your healthcare needs.

Enrollment Periods



- **(IEP) Initial Enrollment Period**: Three months before, the month of, and the three months following the month you become eligible for Medicare
- **(AEP) Annual Enrollment Period Oct 15 – Dec 7**: Switch MA and MAPD plans, add or delete Part D drug coverage for Jan 1
- **(MADP) Medicare Advantage Disenrollment Period Jan 1 – Feb 14**: Dis-enroll from a Medicare Advantage and return to original Medicare and a stand-alone prescription drug plan
- **(SEP) Special Election Period**: Medicare beneficiaries may still qualify for additional enrollment periods outside Annual Enrollment (examples: change residence, loss of group coverage, LIS, and more)
- **(Birthday Rule) Month of Birthday**: This rule gives you the option of changing your Medicare supplement plan with no medical underwriting for up to 30 days following your birthday

Medicare Planning: Next Steps



- **90 days prior to 65th birthday or SEP:** Contact Social Security to get enrolled in Medicare.
- **60 days prior to 65th birthday or SEP:** Contact BIA to start researching your options. You can start by completing our [New Client Packet](#) to provide the information that will help us work with you to review:
 - Risk Tolerance-measure your financial and emotional ability to withstand losses
 - Cost – Compare the out-of-pocket costs (MAPD vs Medicare Supplement)
 - Providers – Will the plan allow me to see the providers I need or want to see (HMO vs PPO)?
 - Benefits – Does the plan offer you the coverage and benefits you need? (RX, Dental, etc.)

Medicare Planning: Common Mistakes



- Fail to enroll in Medicare Part B when you should
- Believing you don't need Medicare Part B if you have retiree or Cobra health coverage
- Think you must reach full Social Security retirement age before signing up
- Not signing up for Part D because you don't take any prescription drugs
- Not understanding your enrollment periods
- Not reading your ANOC "Annual Notice of Change"

Getting Help



- BIA is here to help!
 - Call our office to speak to a licensed agent at: 541-345-3707
 - Visit our website at: www.booneinsuranceassociates.com
 - Email our Sales Team at:
SalesISA@booneinsuranceassociates.com

Thank you!